



2008 Fee Analysis of Bank and Credit Union Non-Sufficient Funds and Overdraft Protection Programs

Full report available at <http://bretton-woods.com/452/18901.html>

Key Findings

Fee Income

- Bank and credit union income from non-sufficient funds (NSF) and overdraft program (ODP) fees exceed \$34.7 billion.
- NSF/ODP fee income by state ranges from nearly \$73 million in Alaska to \$4.07 billion in California.

NSF/ODP Cost per Household

- The national annual NSF cost per household with checking accounts is approximately \$239.46.
- Active households (defined as the 20.2 million households with bank or credit union accounts who write the majority of NSF items) pay \$1,472 in annual NSF fees.

NSF/ODP Transactions

- The average United States household with a banking account incurs 12.7 NSF fees per year.
- Bank and credit union data used in Bretton Woods' modeling determined 1.28 billion separate check and electronic NSF items.
- An estimated 20.2 million households with bank or credit union accounts write the majority of NSF items (1.02 billion) incurring \$29.7 billion in NSF fees or approximately \$1,472 in fees per active household.

State-by-State Analysis

Key Findings

The national annual NSF/ODP cost per household with checking accounts is approximately \$368. The chart below details the estimated amount of NSF/ODP fees, in millions, collected by credit unions and banks in individual states. Using California as an example, it is estimated that checking account holders paid more than \$4.07 billion in NSF/ODP fees in 2008. When you consider the number of households with checking accounts in California, it is estimated that, on average, Californians paid \$366.05 per household in NSF/ODP fees in 2008. In total, Californians spend 0.6 percent of their median household income on NSF/ODP fees.

State Name	Adjusted Calculations		
	Adjusted NSF Income (000)	Adjusted NSF \$\$ /Banked HH	NSF per HH/Median HH Income
Alabama	409,142	256.64	0.6%
Alaska	72,999	335.72	0.5%
Arizona	420,375	198.75	0.4%
Arkansas	251,959	261.40	0.6%
California	4,076,267	366.05	0.6%
Colorado	444,300	263.70	0.4%
Connecticut	444,626	362.21	0.5%
Delaware	945,151	3,139.04	5.1%
District of Columbia	125,253	576.54	1.1%
Florida	2,032,228	307.75	0.6%
Georgia	984,996	315.91	0.6%
Hawaii	139,901	343.63	0.6%
Idaho	92,066	184.24	0.4%
Illinois	1,841,672	431.11	0.7%
Indiana	484,370	225.91	0.4%
Iowa	321,217	303.15	0.6%
Kansas	309,252	325.73	0.6%
Kentucky	344,106	230.44	0.5%
Louisiana	387,510	274.07	0.7%
Maine	104,363	212.26	0.5%
Maryland	516,306	268.88	0.4%
Massachusetts	990,372	442.95	0.6%
Michigan	840,206	243.59	0.4%
Minnesota	540,359	291.57	0.5%
Mississippi	242,906	261.14	0.7%
Missouri	591,715	288.56	0.6%
Montana	82,971	241.46	0.6%
Nebraska	207,609	331.49	0.7%
Nevada	1,067,694	1,216.43	2.1%
New Hampshire	122,848	263.85	0.4%
New Jersey	1,214,115	426.41	0.6%
New Mexico	119,193	180.11	0.4%
New York	4,056,216	658.92	1.1%
North Carolina	1,172,886	376.10	0.7%
North Dakota	81,801	357.35	0.8%
Ohio	1,217,497	306.31	0.6%
Oklahoma	336,619	276.52	0.6%
Oregon	262,722	197.58	0.4%
Pennsylvania	1,452,217	329.57	0.6%
Rhode Island	158,113	430.96	0.8%
South Carolina	355,638	235.98	0.5%
South Dakota	400,186	1,486.10	3.2%
Tennessee	559,913	263.78	0.6%
Texas	2,587,732	356.03	0.7%
Utah	1,225,540	1,636.63	2.7%
Vermont	53,167	235.67	0.4%
Virginia	1,070,789	400.36	0.6%
Washington	600,297	264.40	0.4%
West Virginia	143,695	216.86	0.6%
Wisconsin	613,695	310.96	0.6%
Wyoming	59,062	311.61	0.6%
TOTAL	\$ 37,175,830	368.51	0.8%

Note: There are anomalies in states such as Delaware, Nevada, South Dakota and Utah, due to how data is reported to FDIC and NCUA.¹

¹ Since FDIC and NCUA report data by the financial institution's headquarters, service charge income is skewed for certain states that headquarter large bank holding companies (e.g. North Carolina and New York). To adjust for this skewing, Bretton Woods obtained the deposits by state (FDIC reports these numbers based on the branches residing in the state) and calculated the ratio of states' deposits to total deposits in the United States. This ratio was then applied to the service charge income to more reasonably determine the NSF/OD income and number of NSF items at the state level.